

premium tax of \$37,898,868. That is the worst case scenario. Best case scenario is that by 1992 we'll have an offset against the premium tax of \$6,403,648. Mr. Harms says that, here is our projection. He says if we can make a whole bunch of little changes here and there we might be able to get the offset down to \$4,972,967, but he says we really do think in the end that the offset is going to be between 6 million and 37 million by 1992. Now you can take some comfort in this fact in that the offset is only against the premium taxes borne by the health insurance carriers. It is not against the premium taxes borne by the life insurance carriers or the casualty carriers, nor is it against the foreign carriers. It is only against the domestic carriers. So, inasmuch as the domestic portion of the premium tax is really only \$5 million and inasmuch as a portion of that is life and casualty insurance and not health insurance, the offset really will not be all that bad. However, it means that the Comprehensive Health Insurance Pool can be tapped for a huge sum of money which will not be totally offsettable against the premium tax because the premium tax will have disappeared, vis-a-vis, those health insurance carriers and somebody is going to be eating the cost.

SENATOR HANNIBAL: One minute.

SENATOR V. JOHNSON: Obviously, we'll have an issue that we have to deal with. I can appreciate Senator Higgins' concern about our premium taxes. Premium taxes have been very sweet in this state. Premium taxes have grown. From 1983 they were at \$26 million. By 1986 they are at \$31 million. That is a significant growth in tax. We actually have adjusted the premium tax rate. In 1980... I can't remember the year now, I kind of lose track myself in time, in 1986 my recollection was, we increased the premium tax on domestic insurance carriers from six-tenths of 1 percent to 1 percent, but it has been a high growth tax. This particular change that 855 is going to do is pretty insignificant in the greater scheme of things. The significant issues are in premium tax offsets such as the Comprehensive Health Insurance Pool offset, such as the Guarantee Fund offset. LB 700 which you have in front of you...

SENATOR HANNIBAL: Your time is up.

SENATOR V. JOHNSON: Thank you.

SENATOR HANNIBAL: Senator Higgins, there are no other lights